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No. 58



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CHINA REPORT

AGRICULTURE

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I. GENERAL INFORMATION

ECONOMIC MANAGEMENT STRESSED IN AGRICULTURE

Strengthening of Economic Analysis Urged

Beijing RENMIN RIBAO in Chinese 30 Jun 79 p 4

[Article by Shao Chang [6730 2152]: "Strengthen Economic Analysis to Promote Increased Production and Increased Income"]

[Text] The Nanhu [0589 3275] commune of Jiaxing [0857 5281] county in Zhejiang province established a system of monthly meetings for analysis of economic activities in order to firmly grasp management according to economic rules, to strengthen economic accounting, and to promote increased production and increased income.

Last year this commune produced 1,545 jin of foodgrain per acre and production costs were 20.98 per cent of total income. On the average each commune member received 219 yuan. These figures were the highest income per commune member and lowest production costs of all the Jiaxing county communes. This year, in order to make advances in economic production and reduce production costs, they established a system of economic activities analysis meetings. The analysis meetings are held at the beginning of each month and the responsibility of calling the meetings lies with the commune party committee's assistant secretary in charge of financial work. The meeting is attended by the finance team leaders of each brigade and the related personnel from the brigade statistics unit and the commune enterprise and credit units. They firmly grasp such problems as payment of expenses, materials management, and opening wide the gates of production. They express views and make suggestions regarding increasing income and reducing expenditures, and function as economic advisors to the party committee.

This sort of economic activities analysis allows the commune leadership to promptly grasp any weak links in economic work, clearly direct the main attack toward increasing income and reducing expenses, and to attain the power of initiative in leading economic work. In the first part of the year they made a thoroughgoing economic analysis and everyone agreed that although 1978 was a year of higher income and lower expenses, there was still great potential for increased production and increased income in 1979. First, last year's income from industry and sideline occupations totaled only 17.5 per cent of the total income, so that local natural conditions could be more fully exploited, and major developments in such plant and animal raising industries as hemp, melons, pigs and sheep could be made. Second, last year the entire commune's 33,341 mu of wet rice-fields averaged water electricity expenses of 1.61 yuan per mu. Among these the per mu water and electricity expenses of the Lianhe [5114 0678] brigade averaged only 85 yuan. Even though their water and electricity expenses are not low, still if the entire commune could attain this level then on water and electricity alone expenses of 25,339 yuan could be saved. Third, farm machinery is not equally well taken care of in all brigades and there is a great disparity between the highest and lowest expenses for machinery repairs. For example, Yonglian [3057 5114] brigade has two tractors, and last year the one taken better care of required only 180 yuan in additional repair expenses, while another tractor not so well taken care of required 1,070 yuan in additional repair expenses. Four, chemical fertilizers and pesticides are not properly used and throughout the commune the amount of waste is rather great. This sort of analysis allows the commune leadership to grasp the proper steps to increase income and decrease expenses because they have already gotten to the heart of the matter. Therefore, from the onset of spring plowing and production the commune launched each brigade and production team on a path of proceeding from their own actual conditions to tap each operation's latent power for increasing income and stop up all gaps which waste materials and money, and also allow each brigade to have a good idea of the concrete ways of increasing income and reducing costs for the year.

These economic activity analysis meetings permit the commune leadership to promptly discover and solve problems and to sum up their broad, progressive experiences. During the April economic analysis meeting, when each brigade was reporting its projected expenditures, it was mentioned that recently 60 production teams in the commune were planning to buy 67 concrete boats from a source outside the commune. Although this expenditure was discussed and agreed upon at the democratic finance control meeting, nonetheless during this economic analysis meeting everyone felt that if they purchased 67 boats from outside sources the entire commune would be required to pay out 16,750 yuan. Moreover, the

boats would be without sculls and planking, and therefore could not immediately be put to use. Consequently they decided that except for those brigades urgently needing boats, the remaining brigades would raise their rate of effective usage of the present supply of boats to overcome their difficulties. All matters which are passed on in the economic analysis meetings are meticulously calculated so that unnecessary expenditures are not made and money spent is spent where needed. The masses are enthusiastic about this.

Proper analysis is of great benefit. During the last 5 months this commune has taken new steps in increasing income and reducing costs. The commune members have great praise for the economic activity analysis meetings and cadres of all levels are paying more attention to economic accounting.

Contract System for Agriculture Discussed

Beijing RENMIN RIBAO in Chinese 30 Jun 79 p 4

[Article by Xiao Zhengyan [5135 2398 4282]: "Promote a Contract System in Agriculture"]

Since last year when the Baitu [4101 0960] commune in Xiao [5135] prefecture of Anhui province reformed their methods of managing the collective economy and broadly implemented a contract system for norm control they have achieved excellent results and this system has been enthusiastically welcomed by the masses.

The contents of this commune's norm control contracts are more complete and more extensive, encompassing all basic and major goals for developing the collective economy. These are summarized in four sentences: simultaneous development of agriculture, industry and commerce; complete development of agriculture, forestry, animal husbandry, side-line occupations and fishery; comprehensive administration of mountains, rivers, forests, fields, and roads; overall arrangements for clothing, food, housing, education and medical services. All of their contracts are undertaken according to the principles of unified, all-encompassing planning and all-round development. All contracts whatsoever include the "five fixed norms," which are fixed personnel, fixed schedules, fixed leadership, fixed remuneration, and fixed rewards and penalties. These must be fulfilled by both parties signing the contract, and make up a major part of each contract. In terms of the form of the contracts, the whole commune generally uses the following three types:

The first is the comprehensive contract. This is a contract between the three levels of commune management, i.e., commune with production brigade and production brigade with production team. The production brigade and production team are production management organizations under the people's commune and assume broad, comprehensive duties. The contracts signed generally cover ten major goals: (1) production goals; (2) payment goals for the goods and materials of the commune members' livelihood; (3) goals for production expense deductions; (4) goals for turning over grains, oil, pork, domestic animals and eggs to the state; (5) goals for turning over accumulation funds and public welfare funds to the commune; (6) goals for brigade and production team public accumulation; (7) goals for workday remuneration; (8) goals for farm field basic construction; (9) housing construction goals; (10) school enrollment and birth-rate goals. The commune concluded a total of 151 comprehensive contracts, which were signed between commune and brigade and between brigade and production teams. The contracts were in accordance with the ten major goals and the signers proceeded from reality according to the individual circumstance with a spirit based on positive endeavors, but with allowances for unforeseen circumstances.

The second type is the specialized contract. These are contracts signed by the commune, brigade or production team regarding its own individual enterprises or specialized production. For example, the commune's operation of its own industrial or side-line occupations, the brigade's operation of its own enterprises, and the production team's operation of its own agriculture, forestry, animal husbandry, side-line occupations and fishery were all performed under individual, specialized contracts. These specialized contracts always embody the "five fixed norms in carrying out the contract labor for the factory, team or individual, and relates accounting and remuneration to output. Except for food grain and oil crops the entire commune's farm work, such as melons and vegetables and every sort of industry, side-line occupation and diversified operation, all implemented the method of linking the "five fixed norms" of production to the production teams. This the form of production quota control contract most often used in this commune and about 70 per cent of the production tasks were performed under this type of contract.

The third type is the provisional guaranteed labor contract. When production tasks not easily related to the unit's farm work of producing crops such as wheat, beans and oil to fulfill the yearly fixed quotas would encumber and make great problems for the draft animals, farm tools, farm equipment and other production materials, then the method of short-term guaranteed, fixed quota management is employed. This is based on seasonal needs

in farm work and the contracts are signed for temporary, guaranteed labor according to time and the season. They generally are not related to the amount of production, however there are some individual production teams that conclude farm management responsibility contracts which carry out farm management of related production amounts and guaranteed labor for the teams.

This commune concluded all contracts on all levels before the beginning of spring cultivation. The commune's administrative and management organs as part of their daily work carry out investigations and make criticisms, exchange experiences, and make commendations for progress, all on the basis of whether or not the contract is being fulfilled and how well it is being fulfilled. The commune's cadres are stationed with the various brigades working on the contract to make sure the unit can fulfill the contract and to set standards in work attendance, promotions and rewards. They use all possible methods to ensure compliance with and guarantee the performance of the contract.

The implementation of a contract system for quota management in the Baitu commune resulted in a change from placing major emphasis on administrative techniques to placing major emphasis on economic techniques. This is a major reform and the masses reflected the benefits and superiority of this technique in many ways:

(1) The achievement of a full year of guaranteed performance of each production plan and work task. The signing of contracts covering all levels and all steps put each production goal on a solid basis, right down to the most basic level of production activity. Each person's responsibility was clear and each goal was guaranteed in the contract, thus ensuring the complete, precise fulfillment of each item of the plan. This transformed former practices under which each year a plan was formed and each year it fell short of implementation. Many comrades characterize this as "a comprehensive management operation."

(2) This unites collective benefits with individual benefits and thoroughly stimulates mass positiveness. All contracts in this commune center upon collective benefit, yet they also take individual benefits into consideration. One example is that in the comprehensive contracts an important part of the contractual obligations include payment of the commune members' expenses for livelihood materials and their work day remuneration, thus guaranteeing the commune members' material livelihood. Another example is that each contract includes fixed remuneration and fixed rewards and penalties. So if the contract is fulfilled then there will be reasonable remuneration and there will be proper rewards for over-fulfillment. In this way if the individual workers have a positive spirit then the collective will certainly benefit.

(3) The establishment of a coordinated responsibility system unites all 30,000 people in the commune as one. The passage of a contract fixes the economic responsibilities of all parties and clearly establishes a unified measuring device that will permit everyone, including the production units, work organizations and individual workers of each and every field and industry as well as cadres on all levels of the commune, to be included in the contract and thereby have a clear understanding of what ought to be done and to what extent, what the remuneration for completing the task will be as well as the rewards and penalties for over- and under-fulfillment. This focuses the wits and energies of the entire commune's over 800 cadres, over 10,000 workers and over 30,000 inhabitants on fulfillment of the contract and also forms a complete responsibility system. The masses have praised this method as "a coordinated responsibility system."

Because of the implementation of the contract system there is a new mood in this commune: the cadres and masses are united, upper and lower levels are unanimous, there is popular support for farming, all machines and animals are engaged in farming, in summer production goes at top speed, the masses' feelings have never been higher, everyone competes in overfulfilling tasks overfulfilling quotas, over-production and in making greater contributions.

Stress on Management, Administration

Beijing RENMIN RIBAO in Chinese 30 Jun 79 p 4

[Unsigned editorial comment: "Afterword"]

[Text] The launching of economic activity analysis, the establishment and perfection of an economic contract system were experienced long ago on the industrial battlefield. It also appears that such methods are quite necessary to farm production leadership.

To "manage operations according to objective economic rules" has already become deeply embedded in the people's thoughts. But, in terms of agriculture, how is management of operations according to objective economic rules to be learned? It is necessary to acquire a smattering of economic theory, but most important are practice, carrying out economic activity analysis, finding cost cutting methods, finding ways to raise the work productivity rate, and learning the basis of scientific management. Economic contracts are the bonds of coordinated activity in socialized, large-scale production and also are the basis whereby each economic unit conducts economic activities. By operating within a widespread contract system agriculture can strengthen its

planning and organization, can achieve savings of social labor, can lower costs and consumption, and can raise production efficiency.

The experiences of these two communes is presented here for reference. As far as the countryside is concerned, it is important to implement management and administration systems of three-level ownership with the brigade as basis. It is important for the communes and brigades to carry out economic activity analysis and implement a contract system, and it is even more important for the production teams to carry forth these activities and implement scientific management and administration.

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PRC ECONOMIC JOURNAL ON SURPLUS RURAL LABOR

Beijing JINGJI GUANLI in Chinese No 7, 25 Jul 79 pp 33-34 HK

[Article by Wang Fenglin [3769 7685 2651]: "A Brief Discussion on the Question of Providing an Outlet for Surplus Rural Labor," slantlines denote boldface type]

[Text] Man is the world's most precious wealth and the most important productive power. Only man can create unexpected miracles. However, man can develop his role to the fullest only when we make good use of him. Otherwise more people will only mean a heavier burden. Our country has a total population of 900 million, out of which 800 million are peasants. Since the founding of our People's Republic 30 years ago, grain production has increased by one and a half times. However, because of the increase in the population, there has hardly been any per capita increase. At present, quite a number of rural areas have already felt the pressure of excess labor and the difficulty in making arrangements for employment. Some areas have even imposed restrictions on the number of work days or working by turns to solve the problem. Following the gradual realization of mechanization and the modernization of agriculture, our country will have an ever greater amount of surplus labor. But how are we to find an outlet for it? This is a question which we have been discussing at great length.

As early as 1955, when the agricultural cooperative movement was at its apex, Comrade Mao Zedong thought that this was a universal question. With his penetrating foresight, he gave the following incisive instructions. He said: "The masses have unlimited creative power. They can organize themselves to take on all spheres and branches of work where they can give full play to their energy, tackle production more intensively and extensively and initiate more and more undertakings for their own well-being." (Mao Zedong: "Selected Works"; Vol 5, p 253) He also pointed out that the outlet is, "for the most part, still in the countryside." (Ibid.) Therefore, to develop agricultural sideline production is of great significance. Studying these instructions over again today, we find them to be so close to us and to be of great practical significance.

Our focus of attention must be placed on the rural area. As agricultural modernization advances, it is impossible and unnecessary to let all the

great amount of surplus manpower flow into the large- and medium-sized cities, because this will bring about an overconcentration and lopsided development of the urban population. We must not take the old path which the capitalist countries have trodden before. We must give full play to the superiority of the socialist system, give the problem of surplus rural labor all-round consideration and make overall arrangements.

Upon summarizing the experience from various places and from history since the founding of the republic, we find that surplus rural labor can have the following outlets:

/First, adopting the method of intensive cultivation in agriculture./ By this we mean handling well farmland capital construction, constructing fields with high and stable yields and strengthening management. In so doing, we can make our agricultural output up to par with advanced countries in the world.

/Second, positively developing forestry, animal husbandry, fisheries and various other diversified production./ Our country has a territory of 9.6 million square km, over 4 billion mu of grasslands, large areas of barren mountains and hillsides and several hundred million mu of water. There is much to be achieved in devoting major efforts to developing forestry, animal husbandry, fishery and various other diversified production. In all these aspects, we are still far behind the levels of advanced countries in the world. Take forestry as an example. Forest areas in our country accounts for only 12.7 percent of the total land area, animal husbandry 13.9 percent of the total agricultural output value and fishery can only provide an average of 10 jin of aquatic products per capita. This is a backward situation. If forestry, animal husbandry and fishery are encouraged to develop, great amounts of manpower will be absorbed.

/Third, developing commune and brigade enterprise in a positive way and following the policy of integrating agriculture, industry and commerce./ Communes and brigades can develop planting, breeding and especially industry. The production brigades can also develop their collective and household sideline production, and pursue the policy of integrating agriculture with sideline production and industry. "Those who are living on a mountain, should live off the mountain; those living near the water should live off the water." In other words, people should gear themselves to the local resources and develop industry and develop sideline production. Under the prerequisite of persisting in the direction of socialism, the free opening of different opportunities to boost industrial sideline production should be encouraged. This serves not only agricultural production and the people's livelihood but also the industries and the export services. Some examples are the setting up of an agricultural sideline products processing industry, mining industry, construction industry, agricultural machinery industry, transportation facilities, service trades and other industries. Under the centralized arrangement of the state, agricultural sideline products should be processed locally by commune and brigade enterprises provided that this can be conveniently done in rural areas in accordance with rational economic principles.

Communes and brigades in pastoral and forest areas that have the capabilities should develop animal products and forest products processing vigorously. On the bases of developing communes and brigade enterprises, we should tightly combine the supply, production and sales in agriculture step by step. That is to say, in order to carry out the policy of integrating agriculture, industry and commerce, the following three aspects should be closely combined: the supply and production of agricultural means of production; agricultural production itself and the processing, transporting, storage and sale of agricultural sideline products. This will be an inevitable trend in the socialist development of large-scale agriculture in our country. This is also a feasible method proved time and again by the experiences of some advanced countries, which can help make use of surplus rural labor as well as mobilize the enthusiasm of hundreds of millions of peasants in operating industry. This is a better road to bring about the industrialization of the communes and the state and to achieve and develop the whole national economy with greater, faster, better and more economical results. That is why the 3d Plenum of the 11th Central Committee of the Communist Party adopted the policy of increasing urban aid to rural areas and developing small cities and towns in an orderly way as a strategic step to realizing agricultural modernization.

/Fourth, migration./ Our country has a vast expanse of land with a very uneven distribution of population. On the south bank of the Yangzijiang River there is less than a mu of arable land for each peasant, but in the Northwest, Northeast and other border areas there is much land but few people. Historically, migration has been adopted as an important measure for solving the problem of surplus labor in the hinterland. Inhabitants in the Henan district have moved to places like Shaanxi, Gansu, Qinghai and Xinjiang along the Longhai Line, whereas people in Shandong and Nebel migrated northeastward. This provided a solution to the problem of surplus labor in the hinterland and, at the same time, helped develop the borderland and strengthen the national defense. At the moment, some places in the interior exercise too much control over the households. They are unable to make good use of the population and yet they are reluctant to let them move elsewhere, thus, wasting a great amount of manpower. Improvement should be made in the situation without delay. In the old society, migration took place spontaneously and haphazardly. Today, under the socialist system, it can be carried out under leadership and with planning. In addition to carrying out ideological mobilization and taking administrative measures, the State can also use economic means such as investment, loans, material rewards and so forth to encourage the masses to go to the border areas.

/Fifth, undertaking construction overseas./ In the past, this was a "forbidden zone." Nobody dared propose such an issue. Today, ideological emancipation has rendered the issue worth studying. At the moment, many countries in the world are confronted with the serious problem of a labor shortage. Since we have surplus labor, why not organize part of our labor to undertake the task of construction abroad? This will not only benefit other countries but also ourselves. First, this provides an outlet for part of the labor force; second, the laborers sent abroad can study the advanced technology and experiences of foreign countries. Third, it increases our foreign exchange earnings, and fourth, it alleviates the problem of labor shortages

in these countries, thus contributing to the development of the national economy of the most countries. Of course, sending manpower abroad should be carried out under leadership and with planning and organization. We suggest that the leadership should consider this issue.

CSO: 4007

BASIS FOR PRICING AGRICULTURAL PRODUCTS REVIEWED

Changchun SHEHUI KEXUE ZHANXIAN [SOCIAL SCIENCE FRONT] in Chinese No 2, 1979 pp 101-108

[Article by Su Xing [5685 2502]: "The Question of Prices of Agricultural Products"]

[Excerpts] Recently, many discussions have been held on the pricing of agricultural products. The unanimous opinion is that the pricing of farm products is low. Why so? How low? What is the future trend? Although these questions are currently being further probed, there are various kinds of conflicting views. In this article, I would like to present some of my own views on the problem.

2. The Pricing Policy Towards Agricultural Products in Our Country

The pricing system for purchasing agricultural products in our country is basically based on both the historical price parity and the current price parity, using the cost of agricultural production as reference, so as to cover such factors as the peasants' income, state accumulation, the influences on industrial costs, and the stability of market commodity prices.

Ours is not a voluntary selling system. In 1953 and 1954, the centralized purchasing and distribution of such chief agricultural products as food grain, oil crops and cotton were based on normal pricing quotas. Prior to the centralized purchasing and distribution, the purchasing price of grain had already been raised, which led to the corresponding price increase of peanuts, tea leaves, live pigs, and beet roots. Moreover, the seasonal variations in the pricing of grain, cotton, peanuts and tobacco were eliminated and replaced by the maximum prices of the year. This, in turn, raised the income of peasants. For industrial and agricultural products exchanges, we have consistently adopted the policy of reducing the "scissors differential" (which is actually the price parity between industrial and agricultural products).

The price parity between industrial and agricultural products in our country during the early post liberation period (1950) was 31.8 percent greater than

the average parity during the 7-year period from 1930 to 1936, which was before the War of Resistance against Japan, and 45.3 percent greater than 1936. To cut down the "scissors differential," since the prices were stabilized throughout the whole country, we have continued to increase the purchase pricing of agricultural products. Following is an example showing the national economy rehabilitation period and the First Five Year Plan (starting from 100 in 1950).

1951	119.6
1952	121.6
1953	132.5
1954	136.7
1955	135.1
1956	139.2
1957	146.2

The statistical information indicates that except for the slight drop in 1955, each year the prices went up by approximately 3 percent on the average, and the maximum annual increase was 10 percent.

During this period, the retail prices of industrial goods were basically stable. The selling prices of some agricultural means of production, industrial equipment and materials, as well as medicine were reduced to an appropriate level.

This resulted in a sharp decrease in the price parity between industrial goods and farm products. 1952 was 9.7 percent less than 1950, and 1957 was 17 percent than 1952.

After 1958, there were relatively great fluctuations in industrial and agricultural production, and it was impossible to regulate the pricing of industrial and agricultural products by normal measures. During the Great Cultural Revolution, in particular, due to the disruptive activities of the "gang of four" plus the shortcomings in our work, for a long time there were no adjustments in the pricing of agricultural products. But since the founding of the People's Republic of China, the pricing of farm products has gone up, and the pricing of industrial goods has come down. According to statistics on certain regions in Hebei Province, in 1977, the pricing of agricultural products was 18 percent over 1957, while the retail pricing of industrial goods in the rural areas dropped 6.6 percent. According to nationwide statistics, compared against 1950, the pricing of agricultural products in 1977 increased over two-fold, and the retail pricing of industrial goods supplied to rural districts had a less than 10 percent increase.¹ As compared against 1952, in 1977 the purchase pricing of agricultural products increased 68.8 percent, while the retail pricing of industrial goods supplied to the rural areas dropped 0.5 percent.² In 1950, 100 jin of wheat could be exchanged for 47 jin of table salt, 9 jin of white sugar, 27 chi of white cloth; and in 1977 wheat could be exchanged for 94 jin of table salt, 17 jin of white sugar, 45 chi of whitecloth, which shows that the "scissors differential" had actually dropped.

1. JINGJI YANJIU, No 12, 1978

2. JINGJI YANJIU, No 1, 1979

Does "scissors differential" still exist today? Yes. According to calculations made by some comrades, the 1958 price parity between industrial and agricultural products in our country had already been restored to the average level of the seven year pre-Japanese War period of 1930-1956. Although it had returned to the level and even reduced, the price parity between industrial and agricultural products was unreasonable. This was due to the relatively great "scissors differential" plus many other incomparable factors at the time. Can "scissors differential" be eliminated altogether? The key problem is whether agricultural production should be used to provide a portion of industrial accumulation. The main reason why the "scissors" can not be eliminated now is that the state will have to accumulate some of its industrial construction capital from the agricultural sector through the industrial and agricultural products price parity.

As we all know, in our country, the agricultural taxation rate is not high, and most of it is used for the administrative expenditures of national defense, and investments in the rural economic/cultural construction. 1957 statistics show that each year the state had collected 3 billion yuan (RMB) from the peasants, and its annual expenditures on the peasants also amounted to approximately 3 billion yuan, which indicates that the agricultural taxation could not have provided much for the industrial construction accumulation. The primary means of industrial accumulation from agricultural production is raised through the price parity between agricultural and industrial products. This way, the agricultural sector can generate values and transfer a portion of the values to the industrial sector. It is achieved two ways: first, by keeping the prices of certain farm products below the values; second, by keeping the prices of certain industrial items above the values.

For instance, in pricing industrial products, two thirds of the light industrial goods are distributed in the rural areas. Now, the profit rate gained by the light industrial sector is relatively high, and the taxation rate of some products is also relatively high. The light industries have always been the major source of capital accumulation for national construction. According to statistics made in the late 1950's, a cigarette plant which produces 280,000 cartons per year can recoup the capital investments within 2 months' time after it has been constructed; for a sugar plant with an annual production capacity of 30,000 tons, it takes 10 months to make the return; a cotton mill equipped with 100,000 spindles and 3,500 weaving machines can recoup the investments in 15 months. How can they make such quick returns? The main reason lies in the relatively high pricing of light industrial goods plus the relatively high profits (including taxation). It cannot be denied that quick capital turnovers can be made by light industries, and the workers in this sector can contribute a portion of accumulation through values created by themselves. But it is totally impossible to make such high profits. A sizeable portion of the profits actually comes from the agricultural sector. This problem was discussed by Comrade Mao Zedong in his 1955 exposition on agricultural cooperation and socialist industrialization: "... large funds are needed to accomplish

both national industrialization and the technical transformation of agriculture, but a considerable part of these funds has to be accumulated through agriculture. Apart from the direct agricultural tax, this is done by developing light industry which produces the great quantities of consumer goods needed by the peasants and exchanging them for the peasants' marketable grain and the raw materials for light industry, so that the material requirements both of the peasants, and of the state are satisfied and funds are accumulated for the state."¹ This statement conforms to the practical situation.

As we often say, our policy towards the price parity between industrial goods and agricultural products should be based on exchanges of equal values or near equal values. As a principle, this argument is quite justified, which, in fact, agrees with the principle of keeping pricing in line with the law of values. However, it is wrong to understand it as the exchange of industrial and agricultural products at totally equal values, which, in fact, is impossible to achieve.

If we look at the historical development of pricing, we will find that commodities were exchanged either in accordance with or near their values, which was only applicable to lower stages of commodity production development. Even then, it was impossible to keep the prices in line with the values. On the contrary, prices often oscillated up and down the value margin, and there was only one relatively long period when the mean prices tended to coincide with the values. When the capitalist society arrived, due to the competition among the various organizations representing different sectors, the values were transformed into production pricing, and the gap between prices and values grew even wider, which, moreover, became relatively constant. The emergence of monopolized pricing caused the prices to frequently stay above the values. The departure between prices and values did not overturn the law of values; it merely demonstrated the form in which the law of values generally manifests itself. In our country, the main portion of industrial and agricultural products pricing is formulated by the state. The state regulated pricing is not only based on product costs, it also covers the proportional relations of the national economy, and the relatively long term balance between supply and demand throughout the whole country, as well as other political and economic conditions. How could pricing possibly completely agree with the values? Now, many comrades proposed to equalize capital profit rate and product pricing. If we adopt this measure, it will be even more impossible to to harmonize prices and values.

Of course, the departure of price from value must not exceed certain value bounds, i.e., it must neither be too high above or too low below the value, especially the latter. Even Adam Smith, the bourgeois classical economist knew this principle. He said: "The market price of any particular commodity, though it may continue long above, can seldom continue long below, its natural price."² Here, natural price means value. Take the example of

1. "Selected Works of Mao Zedon," Vol 5, p 182 (Chinese edition)

2. "An Inquiry into the Nature and Causes of the Wealth of Nations" by Adam Smith, Vol 1, p 56, Commercial Press (Chinese translation)

agricultural products. First, the prices must not fall below the compensation for the consumption of production means or the compensation for the value of required labor of the workers. Once it drops below this level, it would be impossible to maintain simple reproduction. Second, the values created by the surplus labor of the agricultural workers should not be totally transferred to other sectors, otherwise the agricultural sector can not enlarge reproduction. When the prices drop to a point where they begin to affect the expansion of reproduction, it is a sign that the pricing policy has violated the law of values, and that prices must be regulated. If the limits are not exceeded, even if the prices depart from the values, it is not regarded as violation of the law of values. The conscientious utilization of the law of values also involved the use of the departure of prices from values to adjust production, distribution, exchanges and consumption so as to promote the high speed and proportional growth of the socialist economy.

3. Why Has the Price Difference Between Industrial and Agricultural Products Widened in Recent Years?

In recent years, the prices of agricultural products in our country have been lower than their values, and the price parities between industrial and agricultural products have actually widened. It proves that, as a whole, the profits gained by state farms and people's communes from selling farm products have fallen, and some have incurred deficits and losses. Take the example of some places in Hebei Province: In 1976, the net profit gained from food grain amounted to only 1.1 percent of the output value, and the losses incurred in cotton accounted for 15.1 percent of the output value.¹ At the Third Plenary Session of the Central Committee of the CCP 11th Congress it was proposed that the State Council should make a resolution to the effect that as from the 1979 summer grain marketing season, the purchasing price of grain should be raised 20 percent, and that on this basis an additional 50 percent should be added to the excessive purchase portion. Moreover, gradual and corresponding increases should be made in the purchasing prices of subsidiary farm products in accordance with the specific conditions of each individual item, such as cotton, oil, sugar, animal products, aquatic products and forestry products. In 1979 and 1980, on the basis of cost reduction, the ex-factory prices and selling prices of industrial products for agricultural use, such as farm machinery, chemical fertilizers, pesticides, plastic materials for farms, etc., are to be cut by 10-15 percent, and basically the gains from the cost reduction are to be distributed among the peasants. It is an important measure for reducing the price difference between industrial and agricultural products.

Why has the price parities between industrial and agricultural products actually expanded in recent years?

According to analyses by some comrades, one reason lies in the rapid increase of industrial productivity and the slow increase of agricultural

1. JINGJI YANJIU, No 12, 1978

productivity. The unequal variation of the two values have caused the price parities to expand. Another reason is attributed to the cost rise of agricultural products.¹ Both of these causes do exist in fact.

As far as productivity is concerned, from 1952 through 1977, industrial productivity rose 150 percent while agricultural productivity went up 50 percent. Theoretically, the pricing of industrial goods should have been lowered. Otherwise, the pricing of farm products should be raised. But in recent years the industrial products have not come down, and the agricultural products have not gone up either. Naturally the gap became wider.

Let us examine the cost of agricultural products. According to surveys in Hobei Province, as compared against 1965, in 1976 the production cost of cotton per hundred jin increased from approximately 64 yuan to approximately 112 yuan; the production cost of wheat per hundred jin went up from approximately 13 yuan to about 15 yuan. The primary cause behind the cost increase was the increase of expenditures entailed in production. In 1965, the agricultural production costs accounted for 26.5 percent of the output value, and in 1977 it went up to 40.2 percent. There were to contributing factors to the production cost rise: One was the increased spending on chemical fertilizers, pesticides, irrigation and machinery. In 1977, for each jin of wheat, 0.03 yuan was spent on chemical fertilizers, 0.019 yuan on pesticides; for each jin of cotton, 0.16 yuan was spent on chemical fertilizers, 0.125 yuan on pesticides, which amounted to an increase ranging from two-fold to several tens of times over 1965. The second factor was the increase in productive labor, as compared against 1965, in 1976 the average number of workers engaged in wheat growing increased from 19.1 to 33 per mu; in cotton farming, the number increased from 42.6 to 49.8.² In other words, the main reason behind the cost rise in agricultural products lies in the fact that in recent years, more and more capital has been invested in the land with the ever growing use of agricultural machinery, chemical fertilizers and pesticides, and the expanding basic construction of farmland as well as intensive cultivation.

To increase production without increasing the yield is bound to affect production increase. Although the state finance can always compensate the losses incurred by the state farms which are owned by the whole people, long-term compensations could very well dampen the enthusiasm of the enterprises and workers for production, and affect the scale and speed of expansion in reproduction. The collective economic units usually absorb their own losses, but who is supposed to compensate for such losses? When losses occur in agricultural products, the only alternative is to stop planting or plant less. This was precisely why a few years ago, for

1. JINGJI YANJIU, No 12, 1978

2. JINGJI YANJIU, No 12, 1978

several years in succession, the plans for cotton sowing acreage were never fulfilled. It does not help to rely on administrative decrees--even if it helps to accomplish the planned sown acreage of some crops, it is still possible that the yield quotas can not be fulfilled. For those commune members who depend largely on household subsidiary production, it is even more difficult to carry on in the event of such losses. Thus, fluctuations in yields are especially salient. Take live pig breeding as an example. In 1950, the national gross output volume was 60 million head. Subsequently, the volume gradually increased year by year. By the first half of 1954, there were already over 100 million pigs. Beginning in the second half of 1954, it began to decrease, and by the first half of 1956, there were only over 80 million. A lot of reasons had contributed to the decline in pig yield. For example, beginning in late 1953, the unified purchasing and distribution of food grain presented difficulties to the supply of fine fodder for feeding pigs; in the second half of 1954, the whole country was hard hit by flood disaster which affected quite a few major production areas and caused heavy losses to the breeding of sows and piglets. But the main reason was attributed to the fact that after the establishment of agricultural cooperation, the pig breeding cost of collectives and commune members went up while prices fell. To cope with this situation, the party and state decided to raise the pig purchasing cost throughout the whole country by an average rate of 13.64 percent as from March 1957, and stipulated that for each pig weighing 140 jin raised by the peasant, the purchasing price must guarantee that the peasant will gain a profit amounting to the standard 180-250 jin unprocessed food grain. The price hiking produced quick results. By the end of 1957, the pig breeding volume had reached 145.9 million, which was an increase of some 70 percent over 1956.¹

4. Future Development Trend

Is the trend of agricultural products pricing on the ascent or descent? It appears that so as long as agricultural productivity does not vary greatly, for a period of time the trend could head towards price hiking.

In the initial period of the socialist construction, in order to accumulate capital funds for industrialization and construction, the pricing of farm products was slightly low, and the pricing of industrial goods was slightly high, which was necessary. With the development of socialist construction, the proportion of industry in the national economy grew increasingly larger, and, correspondingly, the proportion of agriculture in the national economy became increasingly smaller. The industrial sector should and can rely on accumulation within the sector, and the accumulation of the agricultural sector should depend mainly on the growth of agriculture. Thus, it is necessary to raise the prices of agricultural production in a planned way and lower the prices of certain industrial goods so as to help develop agricultural production and modernize agriculture.

1. JINGJI YANJIU, No 3, 1959

Today, developed capitalist countries (including countries with well-developed agriculture) generally attach great importance to the stabilization and improvement of agricultural products pricing. For example, in Japan, the prices of rice and wheat increased more than four times in 1977 as compared with 1960, and in the same period, the prices of the means of agricultural production and the means of subsistence merely rose more than two times. Now, the price difference between industrial and agricultural products in Japan is less than ours. This is one of the main reasons behind the relatively quick growth of its agricultural production.

The regulation of agricultural products pricing is a major policy matter which directly concerns the proportional relationships between accumulation and consumption, industry and agriculture, and within the agricultural sector. It directly affects the lives of workers and peasants. A slight move in one part may affect the situation as a whole. Thus, it is necessary to make repeated calculations, repeated comparisons, repeated balancing, and adopt a very discreet policy.

First, before raising the prices of farm products, it is necessary to see how much capital can be financed to the peasants, and whether the money allocated to the peasants is sufficient to buy them the required consumer goods and means of production, and thus maintain balance between purchasing power and commodity supply. Otherwise, the peasants can not afford to buy the things even if they receive the money, which will also cause dissatisfaction. The pricing of agricultural products can only be gradually raised. The intervals between the price hikes must not be too long, and the amplitude of price hiking must not be too great. This way, even if minor problems occur, it will be easy to correct the situation.

Second, there are a great variety of agricultural subsidiary products, and food grain is the basis. For a long time, we have placed food grain at the center of agricultural products price parities, which conforms to the objective reality. The price hiking of farm products must be made in accordance with the prices of food grain and other subsidiary farm products; the key to promoting overall development of agriculture is proper parity. It is wrong to raise the price of one particular farm product without taking other products into account. In 1956, Comrade Mao Zedong expressed his views on the pricing of agricultural products: "Since last winter, we have concentrated our efforts on food grain, and neglected side-lines and industrial crops. Subsequently, this deviation was corrected and switched over to side-line production and industrial crops. Particularly when the price parities of 20, 30 items were formulated, i.e., the price parities between cotton and grain, oil and grain, pigs and grain, tobacco and grain, etc., the peasants developed large appetites for side-lines and industrial crops, and neglected food grains. The first deviation was towards food grain, and the second deviation was towards side-lines and industrial crops. When grain is cheap, the peasants suffer. Your pricing of grain is so low that peasants refuse to grow food grain." This shows how important the proper management of the price parity between food grain and subsidiary products is to the promotion of proportional growth of agricultural production!

Third, when the prices of agricultural products go up, what should be done about the selling prices? There are two options: (1) Raise the purchasing price without changing the selling price; the difference between the purchasing price and selling price is compensated for by the state finance. (2) Raise the purchasing price and make corresponding increases in the selling price (in small amplitudes); at the same time, increase the salary of workers, or distribute the financial compensation to the workers through other means.

The advantages of the first method are: the peasants' income is improved, the workers can basically maintain their original standard of living, and the prices of the basic means of subsistence are stabilized. The problem is: from the long term point of view, the higher the farm products pricing is, the greater the difference between the purchasing price and selling price becomes, and the number of financial compensation items increases. Consequently, many problems will arise: First, as the purchasing price of farm products remains constant, departments which deal with food grain and subsidiary farm products will have to shoulder the burden of losses for a long period. This not only affects the implementation of their economic accounting system, but also dampens the enthusiasm of the enterprises and workers. Second, although the state spends a considerable amount of money on compensations for the workers' livelihood, the workers can not see the improvements made in their income and standard of living. On the other hand, if improvements are made in the pricing of certain subsidiary farm products and consumer goods which depend on subsidiary farm products for raw materials, the actual income of the workers will decline, thus affecting the workers' enthusiasm for socialism.

The advantages of the second method are: The departments which handle major subsidiary farm products can rid themselves of the burden of losses incurred every year; they can better implement the economic accounting system, which enables the workers to see the material interests provided to them by the state, and thus help promote the enthusiasm for production among the broad ranks of workers. The problem is: When we try to compensate each individual through salary raise or grain subsidy, the situation becomes relatively complicated. The primary aspects to be taken into consideration are: the difference between high wage and low wage, the difference between large families and small families, and the difference between urban inhabitants and rural inhabitants. It is very difficult to find a suitable method right away.

However, comparatively speaking, it appears that the second method offers greater advantages. As to whether we should raise the purchasing prices of some of the farm products or all the products rests with the necessity to depart from reality and consider its influence on all aspects before making any decisions. This problem requires further study.

In capitalist countries, the prices of consumer goods often change. Generally, the wage line will vary with the changes in the pricing of consumer goods.

But wage increases often lag behind the surging prices. Thus, the workers must struggle for higher wages. This reflects the basic contradiction of capitalism. In socialist countries, the development of production is aimed at meeting the ever growing needs of the people. Under normal circumstances, the salary increases should be greater than the amplitude of increased pricing. Thus, when the agricultural products pricing is raised and the selling prices go up, it is still possible to maintain the stability of the workers' income, and even improve the standard of living.

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RURAL ECONOMIC SYSTEM SHOULD BE LINKED WITH AGRICULTURE, INDUSTRY

Changchun SHEHUI KEXUE ZHANXIAN [SOCIAL SCIENCE FRONT] in Chinese No 2, 1979 pp 121-124, 116

[Article by Shen Chunxin [3088 2504 2450], Han Guolin [7281 0948 2651] and Lian Zhishen [1670 2535 3234]: "Rural Economy Should Be Developed in a Coordinated Agriculture-Industry-Commerce Process"]

[Text] Recently, we conducted a survey of the current rural economic status in Halahai Commune, Nougan County, Jilin Province. We feel that the current rural economic system has to be reformed and developed in a coordinated agriculture-industry-commerce process.

(1)

The replacement of the current rural economic system with the coordinated system of agriculture, industry and commerce has become a matter of great importance to the acceleration of agricultural modernization. The Halahai Commune is equipped with all three types of economy: agriculture, industry and commerce. Agriculture is handled by production teams, industry is run by the commune and production brigades, and commerce is managed by the state. Agriculture, industry and commerce are out of line with each other, and three economic levels within the commune are disjointed. This is reflected in the development of production; many contradictions exist within the system; and the modernization of agriculture is notably hampered.

The commune/brigade industries are not based on agriculture, and do not play the leading role. The commune has four factories which produce cotton fabrics, water pumps and red bricks, and process oil and rice. Except for the oil and rice processing plants which serve the local people, the factories do not process subsidiary farm products. As their agriculture can only produce raw materials for sale, the growth of the rural economy is limited. As far as output value is concerned, because raw materials are the only kind of products being produced, the agricultural output values are kept at a low level. For instance, in food grain production, last year the whole commune sold 8,324,000 jin of grain and beans to the state, and earned 830,000 yuan (RMB) worth of revenue. If the peasants had processed the oil and rice by themselves, and used the husk and bran to make wine, an

additional 450,000 yuan could have been earned, which is 52 percent more than unprocessed grain. Moreover, the distillers' grains could have been used to raise 1,000 pigs. It would have increased the agricultural output values, raised the profit rate, reduced the scissors differential between agricultural products and industrial goods, enhanced their purchasing power to buy farm machinery, and thus increase productivity. The market distribution of their products was also greatly limited. Last year, the Halahai Commune collectively produced 12 million jin of potatoes. Apart from those that were purchased by the local economic departments or suffered losses from powder leakage [3345 4720], there were 2 million jin of potatoes left over and could not be marketed. As far as demands are concerned, potatoes are not only used for food, but can also be processed into dextrin (artificial gum) for industrial use. Evidently, the single-line mode of producing only raw materials not only weakens the degree in which the peasants' surplus labor can be transformed into commodity value, but also reduces the market distribution, thus creating artificial surplus of products, and dampening the peasants' enthusiasm for reproduction. If this current type of commune/brigade industry continues to develop, it will not only damage agriculture, but also cause industry to become like water without a source, or a tree without roots. If the peasants can run local factories to process subsidiary farm products, the agriculture and industry of the commune and brigade can supplement each other's needs, promote each other, and fly side by side towards modernization.

As far as commerce is concerned, the rural commune supplier should be the bridge for the exchange of material resources between cities and villages. But it is the high level authorities who control the manpower, financial and material resources which have no direct economic relationship with the commune and brigades. This kind of system fosters the "bureaucracy" within the commercial departments. At present, there is a relatively acute contradiction between the commercial departments and peasants. First, they do not conscientiously market the agricultural products. In 1975, the Halahai Commune produced 2 million jin of garlic. But the commercial departments purchased only 100,000 jin according to their quotas, and consequently 500,000 jin rotted, which was a total waste. At the time, there was a bad shortage of garlic in some places, and if the commune had its own commerce, it would have no problem at all in supplying the surplus to the shortage areas, and all the garlic would have been sold. Evidently, if the rural commerce is not introduced into the commune/brigade economic system, the commodities circulation is bound to be obstructed, thus limiting commodity production. Second, in purchasing subsidiary farm products, the commercial departments often force the prices down. Commercial departments which do not necessarily have economic connections with agriculture often follow the old commercial profiteering way of doing business, seeking profits with total disregard for production. Worst of all is that the "bureaucratic merchants" who bargain and haggle over prices in purchasing subsidiary farm products often resort to administrative tactics to force down the prices. Last year, when the Halahai Supply and Marketing Cooperative saw the large quantities of potatoes, they refused to buy any

potato that was smaller than an egg; as a result, the whole commune had to ship back 40-50 cartloads of potatoes that did not meet the standard size. If this is allowed to continue for a long time, the antagonism between the commercial sector and the commune/brigade is bound to be aggravated. Third, some of the profits made by agriculture is being funnelled off to the commercial sector. Last year, the commercial departments bought 600,000 jin of watermelons from the Halahai Commune at the average price of 0.06 yuan per jin, and marketed the melons at the price of 0.12 yuan (per jin). If the commune and brigades had their own commercial marketing system, they could have doubled their revenue. By analogy, if we add up all the subsidiary farm products, we are bound to greatly enhance the economic strength for materializing the modernization of agriculture. Fourth, there are many links in the turnover of purchasing and selling of subsidiary products. Last year, when the grassroot supply and marketing coops purchased domestic fowls, they shipped the products to the county-level food product company, from where the products were transhipped to the slaughter house of the Changchun City Food Products Corporation. Out of the 65,000 domestic fowl that were shipped from the Nongan Economic Region to Chanchun City, some 3,300 died of thirst or hunger on the way. If the transaction had been conducted directly by the commune and brigades, the losses could have been avoided; moreover, production and marketing could have been coordinated, thus enabling production to better serve the consumers.

As far as the three way economic relationship of the commune is concerned, due to the production and economic disunity between commune/brigade enterprises and the production teams, the commune and brigade economic levels have actually become the "yamen economy" of the dual level administrative ownership. Since it was established in 1956, the commune industry run by the Halahai Commune has made 418,000 yuan worth of profits, some of which have been used to expand reproduction. Besides, within the commune, the total price cut of agricultural-use bricks totaled 210,000 yuan, and 1,000 yuan was allocated to the poor teams to buy horses with. This commune has done comparatively well in using its industry to support farming. But its industry is not collectively owned by all of the commune members' allocation system. Its production process is not linked to the production teams, and basically it does not directly enhance the foundation of production teams. It is merely a kind of "charity." The brigade industry does not support the production teams either. Their meagre profits go to reproduction expansion or non-production expenditures. Practice shows that it is against the law of economic development to develop the economy of the commune level and brigade level without strengthening the economy of the production team. First, the commune and brigades do not share the economic responsibilities of the production teams; the masses of commune members do not have the authority to investigate the economy of the commune and brigade, and they have lost interest in it too. Secondly, it has weakened the economic basis of the production teams. Besides agricultural sidelines, most of the rural financial resources are in the hands of the commune and brigades, which make it difficult for the production teams to develop and strengthen their own economy. The

fixed assets of the three economic levels of the Halahai Commune amount to 5,072,000 yuan, only 61 percent of which belongs to the production teams, leaving them very little to expand reproduction on. Thirdly, in the future, as production develops, the accounting departments must also expand. This means that the production relations can only undergo artificial "transitional" stepflight type mutations. If the three economic levels of the commune are organically linked through the process of production, the ownership form will also develop with production, thus enhancing the degree of coalition and enabling gradual development towards the advanced level. This way, the production relations and productive forces can be constantly balanced in the course of the movement of contradictions, which helps the production relations to better adapt to the development of productive forces.

In sum, it is not difficult to recognize the fact that in order to change our country's backward agriculture and speed up modernization, it is necessary to reform the current rural economic system. The three economic levels of the commune and the three rural economies should be gradually tied into an integrated body and developed towards the coordinated agriculture-industry-commerce process.

(2)

How should the three economic levels of the commune be integrated and developed in a coordinated agriculture-industry-commerce process? Through our discussions with rural cadres and commune members, we have come to believe that the enterprises jointly run by peasants and workers should be based on agriculture, and that industry should play the leading role; industry must be centered around agriculture, and agriculture should be armed with industry. It is proposed that processing plants can be jointly run by production teams, and the dividends should be drawn according to the proportion of raw materials supplied by the teams. The state can deduct a percentage from or tax the net profits, or it may make its own investments with capital funds, which will be returned by the enterprises out of the net profits. Whichever method is adopted, it should be a simple coalition between the peasants and workers whereby the coordination among the various kinds of specialized production processes, the three economic levels of the commune is gradually integrated, thus combining agriculture, industry and commerce.

Looking into the actual conditions of the countryside, we will find that the agriculture-industry-commerce coordination process is limited by certain conditions related to various aspects. There is need to make a complete reform both in the agricultural economic system itself and the current rural economic policy.

First, vigorous efforts must be made to develop agricultural sideline production based on production teams. Agriculture is the foundation of the national economy; production teams are the basis of the three economic levels of the commune. Once the production teams have developed agriculture, forestry, animal husbandry and sideline fishery, the joint venture processing industries will have a guaranteed source of raw materials, and

commerce will have more business. However, many production teams are not financially solid; their productivity is low, and they do not produce many products. In order to build up the foundation of the production teams, there must be policies enabling the state to regulate prices and offer credit loans. Furthermore, at present, there are three problems which should be emphasized: One, respect the rights of production teams to keep the initiative in their own hands. Over the past decade since the Great Cultural Revolution, due to the subversive and disruptive activities of Lin Biao and the "gang of four" who tried to infiltrate the production teams and undermine the teams from all sides, infringing on the peasants' economic interests and treading on their democratic rights, the enthusiasm for socialism was somewhat dampened, and the entire agricultural economy was seriously damaged. Practice shows that without a certain degree of material interests and democratic rights, it is impossible for any class to develop enthusiasm by itself. If the peasants' material interests and democratic rights are not protected, the peasants will lose their enthusiasm. It is imperative to really recognize the peasants' collective ownership, recognize the rights of the peasant masses to develop their collective economy out of their own initiative, and their political democratic rights as well. Administrative measures concerning economic work should be changed and replaced with economic measures which permit the production teams to appropriately expand their independence; there should be a legislative decree clearly stipulating that any encroachment upon the production team's independence will be investigated by legal action. Second, the policy of distribution strictly according to work must be implemented in order to greatly enhance work efficiency. From 1949 to 1978, the cultivated area of the Halahai Commune did not change much, but the labor force had doubled and the draught animals multiplied by 60 percent. Moreover, agricultural machinery was introduced to this area which previously had none, more chemical fertilizers were used, and the peasants began to use pesticides. But in recent years, there have been no corresponding increases in the annual yield of grain or beans. For example, as compared against 1949, the 1978 increase amounted to 58 percent, while the productivity actually dropped 21 percent. This kind of situation can only be attributed to the fact that egalitarianism was used in work remuneration--everybody eats the same food--which violates the socialist principle of distribution. Today, some places use the quota management system; but it can only solve some of the farm work efficiency problems. According to the experiences of some places which base remunerations on the production in a diversified economy system, in which increased revenue is based on increased yields, the entire agricultural production can adopt the method of "dividing and assigning production tasks among groups, assigning fixed quotas for groups, and remunerate according to production." This way, remuneration is based on the material results created by labor; the actual coordination of the interests of the state, collective and individual will become even more apparent to the commune members, and thus give full scope to their ingenuity and strength. Third, the policy of allowing minimal freedom must be implemented. Household sideline production is not merely an

additional source of material supply to the commune members' livelihood as well as the urban and rural areas, in the future it will also be an additional raw material source to the processing industries jointly run by peasants and workers. Thus, collective economy and commune household sideline production must be developed simultaneously. Besides the items which conform to the current policy, it is also necessary to allow commune families to breed draught animals. The Halahai Commune still has unexploited alkali land and barren land as well as mountain areas, semi-mountain areas, river and lake banks which can be utilized. The commune families should be encouraged to raise cattle and sheep. This way, the collective can develop meat, leather and fur processing industries. Some cadres fear that when the commune members become rich, they are liable to become independent of the collective and even compete against the collective for work. Who has ever heard of rich collectives with poor members? It is obvious from the bitter lessons drawn from past experiences that this is just a muddled idea which is detrimental to the country and the people.

Second, energetically develop commune/brigade enterprises primarily composed of industries which process subsidiary farm products. In view of agricultural modernization and production specialization, joint enterprises chiefly composed of subsidiary product processing industries should be run on coalition basis among brigades or between brigades and communes, or in transadministrative regions. In the Halahai Commune, for instance, this type of processing industry can look forward to bright prospects after the commune has developed its agriculture, forestry, animal breeding and sideline fishery. Even now, if the commune and its brigades are allowed to run all the industries which process some of their subsidiary products, the commune/brigade enterprises are bound to flourish and grow. But the grain, oil, sugar and other food processing industries are controlled by state run enterprises. These industries should be turned over to the commune and brigades. The state can use its original enterprises to carry out other kinds of industrial production. In order to prevent overlapping of enterprises so as to facilitate the coordination among agriculture, industry and commerce, measures should be taken to include the commune's handicraft coops and state-run farm machinery repair shops into commune/brigade enterprises. This will help promote the growth of the collective ownership economy as well as the whole people's ownership economy. As far as the distribution of production results is concerned, it will enhance the economic strength of agriculture. As Marx indicated: "The specific mode used in production determines the feature of distribution, and determines the kind of mode used in distribution." (Selected Works of Marx and Engels, Vol 2, p 98) In our current situation, for those peasants who are not involved in the subsidiary product processing industries, the only way for them to secure some kind of economic interest from it is by relying on the state for support. If a peasant is directly involved in this type of production, he will receive due economic interest in accordance with his work value. Last year, the Halahai Commune sold 4,324,000 jin of grain and beans, 21 million jin of beets, 3 million jin of sunflower seeds and 12 million jin of collectively produced potatoes to the state. If

processing industries could be built in the local areas to process grain, oil, sugar, wine and starch, 3,750,000 yuan worth of output value could be created, which is equivalent to 70.3 percent of the total sideline production revenue gained by the whole commune last year; the state would thus get 840,000 yuan of tax revenue; 890,000 yuan of interest would be gained; and the rural population would get an average income increase of 24 yuan. It is bound to enhance the collective's economic ability to expand reproduction, stimulate the peasants' enthusiasm, causing the agricultural productive force to rapidly develop. In terms of economic results, relatively great profits can be reaped through relatively low labor costs. According to the Marxist concept, to a certain degree, the law of values can regulate the distribution of the total social labor. With regard to the distribution of social labor, we must consider the results of investments, and whether profits can be made, or how much profit can be made. The current practice of shipping raw materials produced by agricultural sidelines to cities for processing, and shipping such subsidiary products as bran and rice dreg cakes back to the countryside increases needless transportation costs. If the peasants can do the processing locally, naturally such wastes can be avoided, which will increase the profits correspondingly. The state finance can thus gradually increase its revenues from agriculture. If the commune and brigades are allowed to run the processing industries, the tax revenue collected from their enterprises would not be any less than the profits gained from state run enterprises. For example, last year, the No. 1 Winery in Nongan County submitted 250,000 yuan worth of profits; if it had been run by the commune and brigades, it would have made 270,000 yuan worth of tax revenue for the state. With the increasing amount of subsidiary farm products and the growth of processing industries, the state's financial revenue will also continuously increase. In terms of manpower utilization, this will enable the utilization of the surplus labor force in the countryside. With the increasing level of mechanization, a large percentage of rural labor force can be saved. It is necessary to make appropriate arrangements. Through the establishment of commune/brigade enterprises, the manpower resources can be fully utilized in achieving the Four Modernizations. Evidently, in order to accelerate the growth of agriculture and enable the entire national economy to develop at high speed, it is necessary to let the commune and brigades have their own subsidiary farm product processing industries.

In order to ensure the healthy growth of commune/brigade processing industries, their production, supply and marketing should be included in the state plan, and given some form of guarantee. As the income tax of commune/brigade enterprises is too high, the taxation policy is actually used as a whip. In Jilin Province, the original commune/brigade enterprises used to pay 20 percent income tax; last year, in accordance with the profits, it was changed to a 4-level accumulative tax rate ranging from 15 percent to 45 percent. The four factories of the Halahai Commune use the same taxation method, and the tax rate is 7.2 percent higher than before. In the long run, it is bound to cut down the size of large factories and dismember the commune/brigade enterprises. The tax rate for commune/brigade

enterprises should be lowered, and the state tax revenue should be increased by promoting the construction of more enterprises. The technical equipment of commune/brigade enterprises is extensively backward; other problems include the low output rate of soybean oil processing and the poor separation technique in sunflower seed oil processing, etc. In turning over the enterprises [to the commune and brigades], advanced equipment should be supplied, and technical forces should be trained through state run enterprises or vocational training schools.

Third, the rural commerce should be incorporated into the commune/brigade economic system. At present, there is a sharp opposition between rural commerce and agriculture, which is an abnormal economic phenomenon. As a medium between production and consumption, commerce is controlled by production. The quantity of agricultural products directly affects the marketing business. On the other hand, the impact of the consumers' demands on commerce is also transmitted to production. But under the current system, commerce does not concern itself with agriculture, and it even hurts agriculture and cheats the peasants, which makes it impossible to correctly implement the guiding principle of "develop economy and guarantee supply." Thus, the integration of rural commerce and commune/brigade economy is important to production, exchange and consumption. As the purchasing and marketing load of peasant/worker joint enterprises is especially heavy, integration becomes particularly important. The rural supply and marketing coops were originally created by the masses under collective ownership economy. The current fixed assets and circulating capital funds are accumulated from the annual net profits on the basis of the original investment shares. To incorporate the rural supply and marketing coops into the collective economy, all we need to do is to transfer the financial power and debts. It is not detrimental to the state's interests, and it does not cause the ownership to fall into retrogression. In the commune district, there are still some purchasing stations run by the state commerce which also have to be incorporated into the supply and marketing coops. In order to prevent new problems from arising, when the supply and marketing coops are transferred, the fringe benefits of the original personnel should remain intact; the people's commune should have direct control over them, and all operations should be supervised by the leading supply and marketing coop. The supply and marketing coops should have transregional purchasing and marketing power so as to set up a little competition among the peasant and worker joint enterprises, the purpose of which is to have them promote each other. This way, the supply and marketing coops will play a greater role in linking production with consumption.

(3)

While reforming the rural economic system, it is also necessary to make corresponding changes in the superstructure so as to promote the growth of production force and accelerate the modernization of agriculture.

First, in designing the setup, government and enterprise should be separated from each other, and the economic organization should be given

full authority. To adapt to the development of production, the party and government organizations should be greatly streamlined, leaving only a few staff members to manage the party work and administrative work. The rest of the staff members should be transferred to the economic management organizations. Based on the need to develop economy into a coordinated agriculture-industry-commerce process, the revolutionary committees at all levels should set up special committees to handle economic management so as to enhance the production supervision system, and establish unified management over the plans, material resources and credit loans, which covers production, supply and marketing involved in the coordinated process of agriculture, industry and commerce. Under the centralized leadership of the economic committees, various specialized corporations are formed to organize the coordination among various specialized production operations, supervise related economic work, and link up production, supply and marketing work under a contract system. The people's commune should also set up a management committee or production committee, and place economic work under the supervision of the economic organization. When the peasant/worker joint enterprise reaches a certain scale of development, the economic organization of the joint enterprise should take over the commune's specialized economic organization. This will prevent the drawback of relying on administrative management, and give full scope to the economic measures.

Second, both the coordination of agriculture, industry and commerce and the Four Modernizations program require even more the implementation of scientific management; emphasis should be placed on choosing experts in science, economy and management as supervisors. Cadres who lack expertise should either improve themselves on the job or leave their offices and sign up for training programs; they should develop some kind of expertise. In the future, the selection of cadres should be based on certificates of qualification acquired either through training in professional schools or through on-the-job improvement; they should be chosen by the masses and approved by higher authorities. Those who do not qualify for their jobs should be replaced at the recommendation of the masses through discussions. Future surveys of cadres working in enterprises should be based on economic results achieved in enterprise work.

Third, as far as the political line is concerned, socialist modernization should be the focus of the whole party's work and the basic task of the party organizations in the peasant/worker/commercial joint enterprises. Full scope must be given to political work such that it may control and guarantee economic work. We must make sure that the focus remains on production, and take steps to guarantee the fulfillment of production plans. We must persevere in making the superstructure serve the economic foundation, and political work serve production.

Fourth, full scope should be given to the socialist legal system's role in protecting the productive force. With the development of industrial and agricultural production, even more complex economic relationships are bound

to occur in the society. Thus, we must perfect the socialist statute system as soon as possible; we should formulate economic laws and peasant/worker joint venture laws, and enact decrees which define the relationships between the state and the collective, the relationship among collectives, and the relationship between the collective and the individual. When disputes or transgressions arise in economic work, the case must be settled by judicial procedure. The legal system must have full means to protect and promote productive forces.

9119

CS0: 4007

BRIEFS

COMMUNE, BRIGADE ENTERPRISES--According to ANHUI RIBAO, all communes and nearly 80 percent of the brigades in Anhui Province had established by the end of 1978 over 45,000 commune and brigade enterprises with 780,000 staff or 5 percent of the total agricultural labor forces in the province. The total income of the commune and brigade enterprises has reached over 900 million yuan or 17 percent of the total income of all communes, brigades and production teams in the province. The fixed assets of the province's commune and brigade enterprises are worth 544.59 million yuan or 18.86 percent of the value of the fixed assets of the province's communes, brigades and production teams. During the first half of this year, the total income of the province's commune and brigade enterprises reached over 390 million yuan. [Hefei Anhui Provincial Service in Mandarin 1100 GMT 27 Sep 79 HK]

CSO: 4007

BRIEFS

FUJIAN SUGAR PRODUCTION--Fujian has quickly developed sugar production. Last year the province planted sugarcane on 600,000 mu and produced 2.75 million metric tons of sugarcane as raw material and 331,800 metric tons of sugar. This figure was approximately twice that in the 1975-1976 refining season and some 17 times greater than in the preliberation period. The province's per-mu yield of sugarcane is 1,100 jin, 1.75 times more than in the preliberation period. The province now has 48 large and small sugar refineries with a daily capacity of 25,000 metric tons of sugar. The province can supply some 150,000 metric tons of sugar to other provinces and autonomous regions this year. [Fuzhou Fujian Provincial Service in Mandarin 0300 GMT 24 Sep 79 HK]

FUJIAN TEA PRODUCTION--Fujian has greatly developed its tea production since liberation. Tea yields this year will reach 430,000 dan, 4.6 times greater than in 1949. The amount of tea procured will be some 370,000 dan, 4.5 times greater than in 1950. There were only 30 tea-producing counties in the preliminary period of liberation whereas all counties except Pingtan now produce tea. Tea farm areas have now been expanded by some four times. The number of counties which produce some 10,000 dan of tea a year has increased to 13 from 4 in the preliminary period of liberation. The province now sells tea to 17 provinces and autonomous regions with the amount increasing to 120,000 dan today from 3,900 dan in the initial period of liberation. The tea exported this year will reach 148,000 dan, with an output value of \$18 million. [Fuzhou Fujian Provincial Service in Mandarin 0300 GMT 24 Sep 79 HK]

CSO: 4007

BRIEFS

FARM MACHINERY SOCIETY FORMED--The Guangdong Farm Machinery Society was recently established at an inauguration ceremony in Guangzhou. Professors, specialists, engineers and technicians in the field of farm machinery attended the ceremony and made many proposals on how to mechanize farming in Guangdong. [No details of proposals were given] [Guangzhou NANFANG RIBAO in Chinese 8 Sep 79 p 1]

LATE RICE CONDITIONS--A symposium was called recently by the Provincial Agricultural Bureau of Guangdong to analyze the conditions of late crops and to discuss the strengthening of field management during the middle and final stages of growth. The following was revealed at the symposium: The transplanting of the current late rice crop was, in general, delayed for 7 to 10 days; some rice seedlings were too old when they were transplanted; there was a shortage of fertilizers; the paddy fields were not irrigated long enough; typhoons and cold wind may occur during the flowering and earing period of the late rice crop; severe insect pests and disease have already occurred in some areas. In the opinion of the some 20 specialists attending the symposium, these adverse conditions can be overcome if appropriate measures are taken promptly in field management. [Guangzhou NANFANG RIBAO in Chinese 7 Sep 79 p 1]

NEW FISH RAISING METHOD--The Sanyuanli Commune in the outskirts of Guangzhou has successfully tried out a new method for raising large numbers of fish in cement ponds using the constantly flowing water from an irrigation channel. By this method, known as "high-density fish raising in flowing water," large numbers of fish fry were stocked in the ponds. The fish fry were fed with rich fish food several times a day, while the constantly flowing water provided large volumes of oxygen for the fish. Three months of experiments showed that each mu of water surface yielded more than 30,000 jin of fully grown fish and that when sufficient numbers of fry were stocked, the annual yield from three crops of fish in a year would be at least 110,000 jin per mu. In this experiment, the fish used is the Tilapia mossambica variety. [Guangzhou NANFANG RIBAO in Chinese 18 Aug 79 p 1]

HIGHER PRICE FOR CHESTNUTS--The Municipal Revolutionary Committee of Beijing has decided to increase the price of Chinese chestnuts that are sold to the

State over and above the procurement quotas, effective from the marketing of the new crop of chestnuts this year. The average annual procurement quota of a basic accounting unit for the 3 years between 1976 and 1978 will be the procurement quota for that unit for a period of 3 years beginning 1979. The amount within this quota will be purchased by the State at the current price, and the portion over and above this quota will be purchased at a higher price of 50 percent over the current price. The increase of price is designed to boost the production of chestnuts and to accumulate more foreign exchange. [Beijing BEIJING RIBAO in Chinese 3 Sep 79 p 1]

PORK PRICE DOWN--ZHONGGUO XINWEN Guangzhou September 18--Pig raising has become a prosperous enterprise in Guangdong Province. According to statistics compiled at the end of June, there were over 20 million pigs being raised, and the number of hogs marketed during the first 6 months of 1979 exceeded 5,507,000 head. At the beginning of this year, the ratio between hogs for procurement and for peasants to keep for themselves was adjusted in Guangdong to 5:5--that is, 50 percent for State procurement and 50 percent for the peasants. Moreover, the policy of fodder raising plots has been further implemented, and the hog procurement price increased by about 25 percent, thus enhancing the peasants' enthusiasm to raise more pigs. As the pig raising enterprise developed, more hogs became available at the market, and the pork price at rural markets went down. The pork price at rural markets during June was 29 percent less than that of the same period of last year. [Text] [Hong Kong WEN WEI PO in Chinese 19 Sep 79 p 1]

AGRICULTURAL TECHNICIANS--The Guangdong Agricultural Committee recently held a training course for agricultural management cadres. Some 81 persons took part in the 1-month course. The participants systematically studied management of the people's communes and summed up their experiences. They also studied socialist economic theory, planned management, labor management, finance management and distribution. At present, the Guangdong Agricultural Committee is seriously summing up experiences to train more management backbone elements. [Guangzhou Guangdong Provincial Service in Mandarin 2330 GMT 9 Sep 79 HK]

CSO: 4007

GUANGXI

BRIEFS

HARVEST CIRCULAR--The Guangxi Regional Revolutionary Committee recently issued a circular on doing a good job in this year's minor autumn harvest. The circular demands that the region further implement the party's rural economic policies, do well in making rational arrangements for the labor forces necessary for the harvest, seriously go about procuring harvest products, vigorously carry out processing and multipurpose use of such products and strengthen leadership over the harvest. [Nanning Guangxi Regional Service in Mandarin 1130 GMT 25 Sep 79 HK]

CSO: 4007

BRIEFS

HANDAN WATER PROJECT—The Handan Prefectural water conservancy project section succeeded in building three dams after 7 years' efforts. The total water volume of these three dams reach 4.3 million cubic meters. [Shijiazhuang Hebei Provincial Service in Mandarin 1100 GMT 17 Sep 79 SK]

CSO: 4007

BRIEFS

SHELTER FOREST CONFERENCE--Recently the Heilongjiang Provincial Revolutionary Committee held a conference in Zhaozhou County on the building of shelter forests in the western part of the province. Wang Jinzi, secretary of the provincial party committee and vice chairman of the provincial revolutionary committee, spoke at the conference. The shelter belt in western Heilongjiang is a part of the "green great wall" to be built across northeast, north and northwest China. Planning and afforestation began in 1952, and now shelter forests built in 21 municipalities and counties in the province provide protection for more than 23 million mu of farmland. The conference held that although some achievements have been made, much remains to be done in building shelter forests. [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 21 Sep 79 OW]

FORESTRY CONFERENCE--The participants in the Heilongjiang provincial conference on increasing production and practicing economy on the forestry front conscientiously studied the problem of imbalance between felling timber and afforesting that has existed in the province for a long time. As a major forestry zone, Heilongjiang has made important contributions to China's socialist construction. However, because of improper management, the ratio between cutting and afforesting is seriously out of balance, and as a result forest reserves have declined day after day. After reviewing the situation, the participants noted that the problem has been caused not only by the revisionist line of Lin Biao and the gang of four but also by the erroneous management policy which overemphasizes felling trees but underrates planting trees. They called for a new management policy, with afforestation as its central task. [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 14 Sep 79 OW]

LAND DEVELOPMENT--The Heilongjiang Provincial Science and Technology Commission recently invited Chinese and foreign professors and experts to a meeting to discuss rational exploration and development of the Sanjiang plain. Nine scientific research projects were adopted and seven suggestions proposed at the meeting. The meeting called for an immediate stop to blind land reclamation by certain communes and brigades and urged development and utilization of resources in a planned manner. According to the suggestions made, forest land should make up 30 percent of the plain, land for development of animal husbandry 15 percent and acreage for farming 35-40 percent.

The meeting also called for expanding the acreage of paddy rice, construction of drainage and irrigation projects, promotion of afforestation, and building the plain into a modern industrial base. [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 22 Sep 79 OW]

FARMLAND CONSTRUCTION CONFERENCE--The Heilongjiang Provincial Revolutionary Committee held a provincewide conference in Lanxi County recently on the progress of farmland capital construction work teams. The conference called on all areas to quickly restore and develop farmland capital construction specialized teams and to whip up a new upsurge in autumn farmland capital construction. (Wang Luming), deputy secretary of the provincial CCP committee and vice chairman of the provincial revolutionary committee, delivered a summation report at the conference. The conference stressed the importance of building more specialized work teams for farmland capital construction and urged all areas to do a good job in this respect. [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 19 Sep 79 OW]

CSO: 4007

HUBEI

BRIEFS

COTTON PRODUCTION--The 40 cotton-producing counties in Hubei have already begun to reap ginned cotton. By 15 September, 392,000 dan of ginned cotton had been stored. In Tianmen County, 74,000 dan of ginned cotton had been purchased. In Xinzhou County, 63,000 dan of cotton had also been purchased. [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 20 Sep 79 HK]

CSO: 4007

BRIEFS

WATER CONSERVANCY--According to statistics of the water conservancy departments, in the 30 years since the founding of the PRC, 11,200 million days of labor were used in farmland capital construction to complete 12,500 million cubic meters of earth and stone work. At present, the water conservancy projects have been built in 2.6 million places including 12,714 large, medium and small reservoirs and ponds and lakes in 2.25 million places. The installed capacity of the electric and mechanical irrigation stations is 2 million horsepower. There are also 8,900 hydraulic pumping stations with 12,000 pumps. The province can store and draw 30,500 million cubic meters of water, an increase of 15 times over 1949. The areas of effective irrigation of farmland is 41 million mu including 33.85 million mu of farmland that guarantee good harvest irrespective of drought and flood, an increase of 53 times over 1949. Some 87 counties throughout the province have set up small hydroelectric power stations with a total installed capacity of 520,000 kilowatts. At present, electricity supply is available in 98.8 percent of the communes, 56.6 percent of the brigades and 47 percent of the production teams. [Changsha Hunan Provincial Service in Mandarin 1100 GMT 23 Sep 79 HK]

CSO: 4007

BRIEFS

JIANGSU PUMPING STATION--The Changjiang water pumping station of the (Beishan) irrigation area in Jiangsu's Jurong County was completed and went into operation on 29 September when a 10,000-man celebration rally was held. Vice chairmen of the provincial revolutionary committee Dai Weiran, Chen Ketian and Li Zhizhong came to the scene from Nanjing to offer their greetings. The station pumps water from the Changjiang River to irrigate some 250,000 mu of land. [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 29 Sep 79 OW]

JIANGSU FARM MECHANIZATION--Jiangsu has made great headway in agricultural mechanization. By the end of 1978, Jiangsu boasted 11.6 million horsepower in total farm machinery, averaging 1 horsepower per 6 mu of farmland, and 55.6 percent of Jiangsu's total farlands was tilled by machines. Jiangsu has also built over 46,000 small water-pumping stations throughout the province. [Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 8 Oct 79 OW]

JIANGSU WATER CONSERVANCY--In the past 30 years Jiangsu Province has built flood-prevention projects centering on the harnessing 10 big rivers and 5 big lakes as well as the construction of 38 small and medium-sized reservoirs. It has also built more than 1,000 kilometers of roads on dikes and more than 4,300 kilometers of shelter belts. Some 23,000 kilometers of rivers have been dredged. The completed reservoirs have increased irrigated acreage by 400,000 mu. [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 30 Sep 79 OW]

JIANGSU SALT PRODUCTION--Nanjing, 9 Oct--Jiangsu Province, one of China's four major sea salt producers, processed 1.7 million tons of salt by the end of August, fulfilling the annual quota four months ahead of schedule. The use of plastic sheets to cover crystallization plants has helped increase the quality of salt. The proportion of top-quality salt was raised to 94.8 percent this year. [Text] [Beijing XINHUA in English 0213 GMT 9 Oct 79 OW]

SUZHOU PREFECTURE MANURE COLLECTION--As of now, Suzhou Prefecture, Jiangsu, has accumulated and collected more than 190 million dan of manure for autumn crops, a 13 percent increase over the same period last year. The prefecture reaped an unprecedented bumper wheat harvest this year with total output exceeding 2 billion jin. [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 27 Sep 79 OW]

NANTONG COTTON PRODUCTION--The people in Jiangsu's Nantong Prefecture are stepping up field management for 2.9 million mu of cotton crops during their later stage of growth in efforts to win richer harvest this year. Last year, the prefecture reaped a bumper cotton harvest with per-mu yield of 136 jin. [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 25 Sep 79 OW]

CSO: 4007

BRIEFS

JIANGXI FARMLAND, WATER CONSERVANCY PROJECTS--Over the past 30 years since the founding of the PRC, Jiangxi has achieved great results in farmland and water conservancy projects. The province now has some 27.8 million mu of irrigated areas, 3.5 times greater than before the founding of the PRC. The province has built some 11 million mu of fields which give a guaranteed good harvest irrespective of drought and floods and which have high and steady yields. The province has harnessed some 15 million mu of fields which had water losses and soil erosion. Before liberation, not a single water-drawing project existed which could irrigate some 10,000 mu of fields nor was there a single small reservoir in the province. There were no hydroelectric power stations. At present, the province has built some 9,600 reservoirs of all kinds in mountainous areas having a total capacity of 22.3 billion cubic meters of water. The province has 310,000 small ponds which have been built by the masses themselves. With the completion of a large number of reservoirs, serious floods can now be controlled in the larger part of the province and a large amount of water can be supplied for irrigation, electricity generation, industry and human use. The province has also built some 95,000 water-drawing projects in mountainous and hilly areas and plains. The province's total installed capacity of hydroelectric power stations is 637,000 kilowatts. [Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 25 Sep 79 HK]

INSECT PEST CIRCULAR--On 29 August, the Jiangxi Agricultural Bureau, the Jiangxi Supply and Marketing Cooperative and the Jiangxi Light and Chemical Industry Bureau jointly issued an urgent circular. The circular demanded that the supply and marketing and agricultural material departments at all levels and plant chemical works urgently get mobilized and fight well the battle of preventing insect pests from late rice and cotton to insure a bumper harvest in autumn. Recently, the weather has been very conducive to the growth of insects. According to investigation, rice leafhoppers, which damage late rice, are multiplying rapidly. In some areas, they increased by three to eight times over the corresponding period of last year. Rice stem borers have also multiplied. Bacterial blight on rice and shrinking disease are beginning to occur over large areas. Cotton bollworm and pink bollworm are also appearing frequently. [Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 31 Aug 79 HK]

JIANGXI FORESTRY--Jiangxi has afforested 16.6 million mu of land since liberation. Forestry in many places has now reached the demands of the national agricultural development program. Some 4.5 million mu of this area were planted by state forestry farms. [Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 24 Sep 79 HK]

NANCHENG COUNTY DIVERSIFIED ECONOMY--This year Nancheng County, Jiangxi, has planted 200,000 tangerine trees, afforested 5,000 mu of land with fir and reclaimed more than 18,000 mu of land for planting tea-oil trees. The number of collective-raised ducks has increased from 20,000 in 1978 to 130,000 and the number of pond fish has increased to more than 15 million from 13 million last year. [Beijing XINHUA Domestic Service in Chinese 0155 GMT 27 Sep 79 OW]

CSO: 4007

BRIEFS

FOREST FIRE PREVENTION--Recently the Jilin Provincial Revolutionary Committee issued a circular calling for efforts to prevent forest fires during the present dry fall season. It urges the revolutionary committees in forest areas to pay special attention to this matter and to put their leading comrades in charge of the work. According to the circular, the units and individuals contributing significantly to protecting forests against fire should be commended, while those causing forest fires should be dealt with according to the law. As for those forestry workers who have failed to prevent fire because of negligence of duty, the circular says, due punishment should be given them. [Changchun Jilin Provincial Service in Mandarin 2200 GMT 18 Sep 79 SK]

LIVESTOCK CONFERENCE--The Jilin Provincial CCP and revolutionary committees recently held a work conference on animal husbandry. At the conference, Zhang Shiying, secretary of the Jilin Provincial CCP Committee and vice chairman of the Jilin Provincial Revolutionary Committee, made a speech in which he stressed that efforts should be made to develop animal husbandry and raise the proportion of animal husbandry in agriculture. He pointed out that it is necessary to continuously readjust the imbalance of proportion in agriculture and vigorously strengthen the building of animal husbandry. Efforts should be made to follow the principle of grasping hog-raising as a central task in developing animal husbandry in an all-round manner. Baicheng Prefecture should be built as a base in developing animal husbandry in the province, he said. Comrade Zhang Shiying also stated that in order to develop animal husbandry greatly, it is necessary to sincerely implement the party's policy on economy and follow the principle that big livestock business should be operated by collectives and small ones can be taken up by individuals freely. Party committees at all levels should pay great attention to this work and emancipate their minds so as to accelerate the pace of developing animal husbandry in our Jilin, he said. [Changchun Jilin Provincial Service in Mandarin 1100 GMT 14 Sep 79 SK]

LIAONING

BRIEFS

LIAONING CHEMICAL FERTILIZER--Since the founding of China, Liaoning Province has greatly developed chemical fertilizer and pesticide industries. The average annual output of nitrogen fertilizer in recent years equals to 300-fold of that in early years following the liberation. Average amount of chemical fertilizer applied to 1 mu is increased from less than 0.5 jin to more than 30 jin. According to statistics of departments concerned, Liaoning Province can produce annually at least 5 billion to 8 billion jin of grain thanks to the application of chemical fertilizer and pesticide. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 18 Sep 79 SK]

LIAONING WINDBREAKS--Liaoning Province has intensified the construction of its part of the major national forestry project of "three-norths" windbreaks. As of now, the province has planted trees on the acreage of 365,000 mu. This project covers the areas in the nine counties of the five municipalities and prefectures in the province, including Fuxin and Shenyang municipalities as well as Chaoyang, Jinzhou and Tieling prefectures. According to the project the total afforestation acreage in Liaoning amounts to 2.98 million mu. After the fulfillment of this project, these areas in Liaoning will increase their forest acreage from 5.3 million mu to 7.39 million mu and will also raise their rate of forest coverage from 10.4 percent to more than 14.5 percent. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 13 Sep 79 SK]

SHELTER BELTS--From the founding of PRC till the end of 1978, Liaoning Province had built 31,600 shelter belts extending some 33,000 kilometers and covering 53 counties, and had planted 440,000 trees, improving 7.4 million mu of arable land. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 20 Sep 79]

CSO: 4007

NEI MONGGOL

BRIEFS

ANIMAL HUSBANDRY--Xin-ba-er-hu-you banner in Nei Monggol develops grassland construction to promote animal husbandry. In the past few years, the number of animals increased by 38,000 annually. The total number this year reached some 908,300, an all-time record. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 14 Aug 79]

GRASSLAND CONSTRUCTION PROGRESS--Xianghuang banner, Nei Monggol, has achieved new progress in grassland construction. During the January-June period, this banner fenced 50,000 mu of high quality forage growing paddocks, planted some 11,000 mu of fine grass and planted 3,000 mu of trees. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 14 Aug 79]

INSTRUCTIONS TO PEOPLE--The Nei Monggol Regional Revolutionary Committee issued an instruction on 18 September calling on cadres, scientists, technicians and commune members throughout the region to work hard for 100 days and to stir up an upsurge in baling and storing hay so as to insure high animal husbandry production this year. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 21 Sep 79 SK]

CSO: 4007

BRIEFS

DATONG COUNTY FARMLAND IMPROVEMENT--People in Datong County, Qinghai, have made remarkable achievements in building water conservancy projects and improving farmland in the past 3 decades since the founding of the PRC. They have so far leveled more than 250,000 mu of land, built over 90,000 mu of garden-style farmland and built more than 100 large and small irrigation ditches with a total length of over 400 kilometers. In addition, they have also built reservoirs and spray irrigation facilities. Thus, the county now has 180,000 mu of irrigated land. As a result, the county's grain output has increased from 62 million jin during the initial post-liberation period to 180 million jin at present. [Xining Qinghai Provincial Service in Mandarin 1100 GMT 24 Sep 79 OW]

WATER CONSERVANCY PROJECTS--In the past 30 years since the founding of the country, Qinghai Province's Huzhu Tu Autonomous County has made rapid progress in building farmland water conservancy projects. As of the end of 1978, the county had built 62 reservoirs, of which five have a capacity of over 1 million cubic meters each; 65 electric irrigation stations; 148 power-driven wells, and over 100 ditches with a total length of over 500 kilometers. The completion of these construction projects has expanded the county's over 80,000 mu of irrigated land to 170,000 mu and nearly doubled the county's grain output. [Xining Qinghai Provincial Service in Mandarin 1100 GMT 25 Sep 79 OW]

QINGHAI STOCK-RAISING MACHINERY--Over the past 30 years Qinghai Province has made rather big strides in the production of stock-raising machinery. As of the end of 1978, it possessed 3,358 tractors of all kinds and 17,000 pieces of farm and stock-raising implements, including shearing machines. At present, 39 of the province's 165 stock-raising communes still do not have tractors. [Xining Qinghai Provincial Service in Mandarin 1100 GMT 2 Oct 79 OW]

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BRIEFS

INCREASED DIVERSIFIED ECONOMY--Since the smashing of the gang of four, the Yantai Prefectural Party Committee, Shandong Province, has aroused the masses to develop the diversified economy. The total income from diversified economy in 1965 only amounted to 198.5 million yuan, accounting for 24.5 percent of total income of agriculture. In 1978, total income from diversified economy reached as much as 1.18 billion yuan, accounting for 54.5 percent of the total agricultural income of the prefecture. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 18 Sep 79 SK]

SHANDONG RAINFALL--Shandong Province had rains from 12 to 20 September and for the most part alleviated drought conditions throughout the province except for eastern area of Yantai Prefecture and Qingdao Municipality where rainfall measured 20 to 50 millimeters while the other areas measured 50 to 150 millimeters of rainfall. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 21 Sep 79 SK] The southern areas of Shandong Province had seasonable rains from 15 to 17 September. The rainfall in most areas of Heze Jining and Linyi prefectures, the southern part of Changwei Prefecture and Qingdao Municipality ranged from 25 millimeters to 100 millimeters. The rainfall in northern areas of the province was less than 5 millimeters. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 17 Sep 79 SK]

YANTAI DIVERSIFIED ECONOMY--In 1978 the total income from diversified economy in Yantai Prefecture, Shandong, was 1.18 billion yuan, accounting for 54.5 percent of the total income from agriculture and sideline production. The same year the prefecture delivered to the state more than 1.28 billion jin of grain and 390 million jin of peanuts and sold large quantities of pigs, fruits, aquatic products, hemp and silkworm cocoon. [Beijing Domestic Service in Mandarin 1000 GMT 30 Sep 79 OW]

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BRIEFS

XIANGNING COUNTY ALL-ROUND DEVELOPMENT--Since last May, Xiangning County, Shanxi, has newly built 138 breed livestock farms which have raised more than 1,200 dams and more than 20 fine-strain bulls. This year the county has 26,000 large domestic animals, 600 head more than last year. The number of goats has increased by more than 15,000 head. Commune- and brigade-run forest farms have increased to 151 from 123. The county afforested more than 20,000 mu of land last spring. The number of commune- and brigade-run collieries has increased from 16 to 54. During the first 6 months of this year, total output value from the rural enterprises exceeded 9.4 million yuan, bringing the county a profit of 2 million yuan. This year the peasants have planted 80,000 trees around houses, raised 40,000 pigs. [Beijing XINHUA Domestic Service in Chinese 0155 GMT 27 Sep 79 OW]

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BRIEFS

ZHEJIANG FISHERY PROTECTION--Hangzhou, 26 Aug--Zhejiang Province has taken effective measures to protect its fishery resources, which have been seriously ravaged by excessive fishing in recent years. Compared with 1974, output of hairtails and big yellow croakers dropped by 33 and 88 percent respectively in 1978, and the output of small yellow croakers in 1978 was only a seventh of the previous record. The Zhejiang Provincial Revolutionary Committee has now put forth regulations to limit the number of motorized fishing vessels, prohibited operations endangering fishery resources, instituted a moratorium period for major kinds of economic fish and set maximum catch quotas for certain types of fish. The provincial revolutionary committee has also set requirements for preventing water pollution in the fishery zones. [Beijing XINHUA Domestic Service in Chinese 9797 GMT 26 Aug 79 OW]

ZHEJIANG FISH CATCH--Zhejiang Province has expanded its fishing for shallow water fish with motorized fishing boats employing lamps and purse seines. By 5 September the total catch of shallow water fish already reached over 320,000 dan. This was a better than 50-percent increase over the total catch of 215,000 dan during the entire fishing season last year. Zhejiang has rich resources of such shallow water fish as the (Tai), (Sheng), sardine and (Tuo). To tap these resources, fishing operations have been readjusted and more fishing boats are equipped with lamps and purse seines. By early September the province as a whole had 185 groups of such motorized fishing boats, compared to only 91 groups of last year. The average catch has been 1,740 jin per group. But the three groups of a fishing brigade in Putuo County have scored an average catch of 4,000 dan per group. [Hangzhou Zhejiang Provincial Service in Mandarin 1100 GMT 17 Sep 79 OW]

ZHEJIANG COUNTY TALLOW TREES--Pujiang County in Zhejiang has developed bases for growing Chinese tallow trees. Over the past few years, the county has built up 2,654 mu of such bases. Chinese tallow trees produce oilbearing fruits that can be used in the chemical industry and are also important raw materials for the national defense industry. [Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 25 Sep 79 OW]

ZHEJIANG PLANT RAISES EELS--Hangzhou, 10 Oct--The Meixi power plant in Zhejiang Province has succeeded in raising eels in the warm effluent produced by the plant. Seven months ago, the factory put 110,000 eel fingerlings in three ponds. They have all survived and grown from 0.1 grams to between 200 and 250 grams. Eels are known for their high protein and vitamin content. They also contain amino acid and inorganic salts. The Meixi power generating plant, which produces large quantities of warm effluent every day, improved the water by adding oxygen. Lumbriculidae was used as eels' food to begin with followed by a mixed feed. [Text] [Beijing XINHUA in English 0246 GMT 10 Oct 79 OW]

TEA PRODUCTION--Zhejiang Province expects to reap 1.27 million dan of tea leaves this year, 10 times the output of 1949 and 450,000 dan more than the total national output before the liberation. Zhejiang is one of the country's major tea-producing areas, with its total tea output accounting for one-fifth of the total output of the whole country and exports accounting for one-third. As of the end of August, the province's output had reached 1.17 million dan, equalling the total 1978 output. [Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 2 Oct 79 OW] Zhejiang Province has made big strides in tea production in the past 30 years since the founding of new China. Tea plantation acreage has expanded by more than 100 percent and tea production increased eightfold as compared with the early period of liberation. Per-mu tea production has reached over 80 jin. The province is expected to produce 1.3 million dan of tea this year. [Hangzhou Zhejiang Provincial Service in Mandarin 1100 GMT 25 Sep 79 OW]

ZHEJIANG TELEPHONE CONFERENCE--On 31 August the Zhejiang Provincial Revolutionary Committee held a telephone conference calling on rural cadres and commune members throughout the province to immediately take all effective measures to strengthen field management of late autumn crops. The conference stressed supplying plenty of water, applying additional phosphate fertilizer and preventing insect pests. [Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 2 Sep 79 OW]

ZHEJIANG SILK COCOONS--Zhejiang, China's leading silkworm raising province, had a big increase in silk cocoon output this summer following a good harvest this spring. By the end of July, the province had purchased 5,650 tons of summer cocoons, a 52.7 percent increase over the corresponding period last year. The province has now begun to rear autumn silkworms. [Beijing XINHUA in English 0249 GMT 31 Aug 79 OW]

INCREASED CROP PRODUCTION--Wuxing County in Zhejiang Province has increased production. It has reaped rich early rice harvest from some 634,000 mu, with average per-mu yield of 840 jin, 174 jin over last year's figure. In the first half of 1979, the county had 1.15 million head of pigs and sheep in sties, showing a 23.3 percent increase over last year's figure. [Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 25 Sep 79 OW]

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